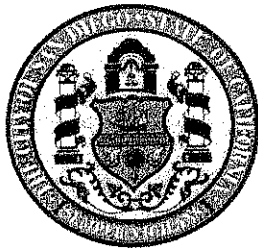


Proposed Amendment to the 2006-2007 Appropriations Ordinance

Ordinance 2007-13, an ordinance adopting the Annual Budget for Fiscal Year 2006-2007 and appropriating the necessary money to operate the City of San Diego for said fiscal year is amended as follows:

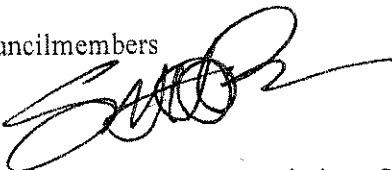
Section 14 Mayoral authority to make changes to the adopted budget shall be limited as follows:

1. Budgetary control shall be at the department level by Fund as approved in the Appropriation Ordinance and adopted by the City Council (Attachment 1).
2. Salary savings cannot be used to cover non-personnel expenses.
3. Any funding increases above the amount included in the Appropriations Ordinance require an amendment to the Appropriations Ordinance by the City Council.
4. Any cumulative reduction in spending resulting from Mayoral action in an amount of 10% or \$4 million, whichever is less, in a particular department identified in the Appropriations Ordinance will require an amendment to the Appropriations Ordinance by the City Council. This may be triggered by either the first budget adjustment that meets this threshold or a later budget adjustment that has the cumulative affect of exceeding this threshold.
5. Immediately upon elimination of any program or service affecting the community, not requiring an amendment to the Appropriations Ordinance as described above, the Mayor shall inform the City Council and City Clerk by providing a memo fully describing the change, any resulting service impact and the corresponding fiscal impact. The Clerk shall then include such notification on the next available council docket following receipt of the notice from the Mayor.
6. Money and/or positions moved between departments will require City Council approval.



**COUNCIL PRESIDENT SCOTT PETERS
FIRST DISTRICT**

MEMORANDUM

DATE: March 1, 2007
TO: Honorable Mayor and City Councilmembers
FROM: Council President Scott Peters 
SUBJECT: Budget Authority Amendment to the FY 2008 Appropriations Ordinance

On February 6, 2007, the City Council introduced an ordinance addressing the respective authority of the Mayor and City Council to make budget adjustments. The discussion raised important issues about the roles and responsibilities of the executive and legislative branches in budgeting and appropriating taxpayer funds. Most Councilmembers expressed the belief that additional work would be needed before the second reading scheduled for March 5.

During the past several weeks, I have worked collaboratively with the Mayor, my Council colleagues and members of the public in an attempt to create a working agreement on approving and making changes to the City's budget. In the long term, the issue may best be handled as part of the consideration of Charter amendments. For the next year or two, the City needs a working understanding of when the Mayor can make changes to the adopted budget for the sake of efficiency, while respecting the policy and service levels set forth in the City Council's adopted budget. I hope you will agree that the attached proposal strikes an acceptable balance.

While it is important to set some operational procedures of this type, we should understand that whatever rules we agree to legislate will not substitute for effective communication between the Mayor and Council. Communication will continue to be the most important factor in our success in a Mayor/Council form of government. Failure to communicate or to respect each other's important roles in this government will render useless even the most carefully crafted written understandings.

I ask my colleagues to continue the second reading of the current budget authority ordinance until March 19, 2006, to allow us to work with the City Attorney to get this proposed ordinance drafted in an appropriate manner for the docket. I plan to offer the first reading of this proposal on March 19, 2006.

cc: Honorable City Attorney Michael Aguirre
Andrea Tevlin, IBA
Ronne Froman, COO
Jay Goldstone, CFO
City Clerk Elizabeth Maland